GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:636
ANSWERED ON:23.07.2015
Loans Provided under SGSY
Koli Shri Bahadur Singh

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether any study to look into the roles of bank officers under the Swarnjayanti Gram Swarojgar Yojana (SGSY) has been carried out by the Government and if so, the details thereof;

(b) whether loans are not being provided to the people as per their expectations under SGSY due to apathy of bank employees and if so, the details thereof;

(c) whether any efforts have been made to carry out modifications in the said scheme for the success thereof; and

(d) if so, the details thereof and the result thereof, State wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI SUDARSHAN BHAGAT)

(a) & (b): No specific study has been carried out to look into the role of bank officers under Swarnjayanti Gram SwarojgarYojana (SGSY). However, a Committee was constituted by the Ministry of Rural Development to study credit related issues under SGSY. The Committee in its report submitted in 2009 had noted that the overall credit achievement under SGSY was very low and made several recommendations for improving credit delivery under SGSY.

(c) & (d): Yes, Madam. The Ministry of Rural Development, Government of India has launched National Rural Livelihoods Mission (NRLM) by restructuring Swarnajayanti Gram Swarozgar Yojana (SGSY) with effect from June 2011.

NRLM is the flagship program of Govt. of India for promoting poverty reduction through building strong institutions of the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods services. Under NRLM, emphasis is laid on the multiple doses of credit to Self Help Groups (SHGs) to enable them to take up sustainable livelihoods for improvement in their quality of life.

NRLM has also introduced a provision for interest subvention, to cover the difference between the lending Rate of the banks and 7%, on all credit from the banks/ financial institutions availed by women SHGs, for a maximum of Rs 3,00,000 per SHG. This will be available across the country in two ways:

I. In 150 identified districts, banks will lend to all the women SHGs @7% upto an aggregated loan amount of Rs 3,00,000/- . The SHGs will also get additional interest subvention of 3% on prompt repayment, reducing the effective rate of interest to 4%.

II. In the remaining districts also, NRLM compliant women SHGs are eligible for interest subvention to the extent of difference between the lending rates and 7% for the loan upto Rs. 3 lakhs.

NRLM has been advocating Bank Mitra/Bank Sakhis (one per branch bank) to support the SHGs. State Level Bankers' Committees have set up sub-committee with a specific focus on SHG-Bank Linkages. Similarly, District level and Block level Bankers; Committees have SHG-Bank Linkage agenda and NRLM is facilitating these Committees to plan and review the progress regularly and intensively.
Further, Bankers at various levels including Branch Managers are being taken through sensitization to the poor, their SHGs and their repayment track record and immersion/exposure visits to SHGs and Banks with successful linkage. This is resulting in positive support from Banks.

A statement indicating State wise credit linkage details for 2013-14 and 2014-15 is enclosed as Annexure I.